Unaudited Quarterly Financial Information

Manabi S.A.

March 31, 2013
with Independent Auditor's Report on Review of Quarterly Financial Information

Manabi S.A.

Unaudited quarterly financial information

March 31, 2013

Contents

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A free translation from Portuguese into English of independent auditor's report on review of quarterly financial information

Independent auditor's report on review of quarterly financial information

The Shareholders, Board of Directors and Officers
Manabi S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the accompanying individual and consolidated quarterly financial information of Manabi S.A., contained in the quarterly financial information form (ITR) as of March 31, 2013, which comprises the balance sheet as of March 31, 2013 and the related statements of operations for the three month period then ended, statements of comprehensive income, statement of changes in equity and cash flows for the three month period then ended, including explanatory notes.

Management is responsible for the preparation and presentation of the individual quarterly financial information in accordance with Accounting Pronouncement CPC 21- Interim Financial Information ("CPC 21 (R1)"), issued by the Brazilian Accounting Standards Board (CPC), and the consolidated quarterly financial information in accordance with CPC 21 and International Accounting Standard IAS 34 - Interim Financial Reporting ("IAS 34"), issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this quarterly financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, mainly to the professionals responsible for financial and accounting issues and the application of analytical and other review procedures. A review is significantly less in scope than an audit conducted in accordance with auditing standards and, accordingly, does not allow us to obtain assurance that we became aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual quarterly financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual quarterly financial information included in the quarterly information referred to above was not prepared, in all material aspects, in accordance with CPC 21 (R1) applicable to the preparation of Quarterly Financial Information (ITR) and presented consistently with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Conclusion on the consolidated quarterly financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial information referred to above was not prepared, in all material aspects, in accordance with CPC 21 (R1) and IAS34 applicable to the preparation of Interim Financial Information (ITR), and presented consistently with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Emphasis paragraph

As described in Note 1, the Company and its subsidiaries will continue developing business in the mining segment and the investments necessary for implementation of the business plan are significant. Currently, the Company does not have cash-generating activities or sufficient funds to implement its investment plan and accordingly shall depend on funds from shareholders or third parties to implement its business plan. Our opinion is not qualified with respect to this matter.

Other matters

Quarterly statements of value added

We have also conducted a review of the quarterly individual and consolidated quarterly statements of value added for the three-month period ended March 31, 2013, whose presentation in the quarterly financial information is required by the Brazilian Securities Commission (CVM) and is considered supplementary information under IFRS, which does not require the presentation of such statement of value added. These statements were submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that the quarterly statements of value added are not prepared, in all material aspects, consistently in relation to the overall accompanying individual and consolidated quarterly financial information.

Rio de Janeiro, May 8th, 2013.

ERNST & YOUNG TERCO
Auditores Independentes S.S.
CRC - 2SP 015.199/O-6 - F - RJ

Wilson J. O. Moraes	Paulo José Machado
Accountant CRC - 1RJ 107.211/O-1	Accountant CRC - 1RJ 061.469/O-4

Manabi S.A.

Balance sheets
March 31, 2013 (unaudited) and December 31, 2012
(In thousands of Reais)

		Parent company		Consolidated	
	Note	3/31/2013	12/31/2012	3/31/2013	12/31/2012
Assets					
Current assets					
Cash and cash equivalents	4	**34,412**	71,487	**34,412**	71,487
Marketable securities	4	**627,438**	617,663	**627,438**	617,663
Recoverable taxes		**3,647**	3,062	**3,647**	3,062
Other		**542**	643	**556**	655
Total current assets		**666,039**	692,855	**666,053**	692,867
Non-current assets					
Advances for future capital increase	5	**31,237**	27,505	**-**	-
Investments	5	**74,841**	75,130	**-**	-
Property, plant and equipment	6	**3,624**	3,061	**41,433**	37,967
Intangible assets	7	**587,781**	569,576	**657,870**	638,103
Total non-current assets		**697,483**	675,272	**699,303**	676,070
Total assets		**1,363,522**	1,368,127	**1,365,356**	1,368,937
Liabilities and equity					
Current liabilities					
Trade accounts payable	10	**6,982**	9,270	**8,715**	9,861
Employee-related accruals		**1,992**	1,882	**1,992**	1,882
Tax liabilities		**837**	1,203	**938**	1,422
Other		**160**	554	**160**	554
Total current liabilities		**9,971**	12,909	**11,805**	13,719
Equity	11				
Capital stock		**1,381,666**	1,381,666	**1,381,666**	1,381,666
Capital reserve		**1**	1	**1**	1
Share-based payment reserve	9	**10,109**	8,238	**10,109**	8,238
Accumulated losses		**(38,225)**	(34,687)	**(38,225)**	(34,687)
Total equity		**1,353,551**	1,355,218	**1,353,551**	1,355,218
Total liabilities and equity		**1,363,522**	1,368,127	**1,365,356**	1,368,937

See accompanying notes

Manabi S.A.

Unaudited statements of operations
Three month period ended March 31, 2013 and 2012
(In thousands of Reais, except for loss per share, in Reais)

		Parent company		Consolidated	
	Note	3/31/2013	3/31/2012	3/31/2013	3/31/2012
Operating expenses					
Personnel		**(6,934)**	(6,810)	**(6,934)**	(6,810)
Services rendered		**(4,990)**	(1,176)	**(5,246)**	(1,202)
General and administrative expenses		**(1,493)**	(1,169)	**(1,526)**	(1,171)
Depreciation		**(114)**	(71)	**(114)**	(71)
Taxes		**(322)**	(73)	**(323)**	(73)
		(13,853)	(9,299)	**(14,143)**	(9,327)
Other operating expenses					
Equity results and provision for losses on investments	**5**	**(290)**	(30)	**-**	-
		(290)	(30)	**-**	-
Operating losses before financial results		**(14,143)**	(9,329)	**(14,143)**	(9,327)
Financial income and expenses					
Financial income		**10,650**	4,615	**10,650**	4,615
Financial expenses		**(45)**	(39)	**(45)**	(41)
		10,605	4,576	**10,605**	4,574
Loss before income tax and social contribution		**(3,538)**	(4,753)	**(3,538)**	(4,753)
Income tax and social contribution	**8**	**-**	-	**-**	-
Loss for the period		**(3,538)**	(4,753)	**(3,538)**	(4,753)
Loss per common share (basic and diluted)	**11**	**(3.40)**	(5.94)		
Loss per preferred share (basic and diluted)	**11**	**(3.40)**	(5.94)		

See accompanying notes.

Manabi S.A.

Unaudited Statements of Comprehensive Income
Three month period ended March 31, 2013 and 2012
(In thousands of Reais)

	Parent Company		Consolidated	
	3/31/2013	**3/31/2012**	**3/31/2013**	**3/31/2012**
Loss for the period	**(3,538)**	(4,753)	**(3,538)**	(4,753)
Other comprehensive income	-	-	-	-
Comprehensive loss for the period	**(3,538)**	(4,753)	**(3,538)**	(4,753)

See accompanying notes.

Manabi S.A.

Unaudited Statements of Changes in Equity
Three month period ended March 31, 2013 and 2012
(In thousands of Reais)

	Capital stock		Capital reserves			
	Subscribed	Equity issuance costs	Subscription warrant	Share-based payment reserve	Accumulated losses	Total
At December 31, 2011	806,790	(20,084)	1	939	(64)	787,582
Stock options (Note 9)	-	-	-	1,725	-	1,725
Loss for the period	-	-	-		(4,753)	(4,753)
At March 31, 2012	806,790	(20,084)	1	2,664	(4,817)	784,554
At December 31, 2012	**1,418,130**	**(36,464)**	**1**	**8,238**	**(34,687)**	**1,355,218**
Stock options (Note 9)	**-**	**-**	**-**	**1,871**	**-**	**1,871**
Loss for the period	**-**	**-**	**-**	**-**	**(3,538)**	**(3,538)**
			-			
At March 31, 2013	**1,418,130**	**(36,464)**	**1**	**10,109**	**(38,225)**	**1,353,551**

See accompanying notes.

Manabi S.A.

Unaudited Statements of Cash Flows
Three month period ended March 31, 2013 and 2012
(In thousands of Reais)

	Parent Company		Consolidated	
	3/31/2013	3/31/2012	3/31/2013	3/31/2012
Cash flows from operating activities				
Loss before income tax and social contribution	**(3,538)**	(4,753)	**(3,538)**	(4,753)
Adjustments to reconcile the loss for the period to cash from operating activities				
Depreciation and amortization	**114**	71	**114**	71
Stock options	**1,871**	1,725	**1,871**	1,725
Marketable securities income	**(9,775)**	-	**(9,775)**	-
Equity results and provision for losses on investments	**290**	30	**-**	-
Changes in assets and liabilities				
Recoverable taxes	**(585)**	(160)	**(585)**	(160)
Prepaid expenses	**-**	(608)	**-**	(608)
Other assets	**101**	67	**99**	55
Trade accounts payable	**799**	(5)	**804**	(683)
Employee-related accruals	**(294)**	509	**(294)**	513
Tax liabilities	**(802)**	(203)	**(976)**	(284)
Other liabilities	**(32)**	15	**(32)**	15
Net cash used in operating activities	**(11,851)**	(3,312)	**(12,312)**	(4,109)
Cash flows from investing activities				
Advances for future capital increase	**(3,732)**	(8,678)	**-**	-
Acquisition of property, plant & equipment	**(540)**	(65)	**(2,711)**	(562)
Additions to intangible assets	**(18,805)**	-	**(19,905)**	(7,384)
Net cash used in investing activities	**(23,077)**	(8,743)	**(22,616)**	(7,946)
Cash flows from financing activities				
Equity issuance costs	**(2,147)**	-	**(2,147)**	-
Net cash used in financing activities	**(2,147)**	-	**(2,147)**	-
Increase (decrease) in cash and cash equivalents	**(37,075)**	(12,055)	**(37,075)**	(12,055)
Cash and cash equivalents at the beginning of the period	**71,487**	192,906	**71,487**	192,906
Cash and cash equivalents at the end of the period	**34,412**	180,851	**34,412**	180,851

See accompanying notes.

Manabi S.A.

Unaudited Statements of Added Value (supplementary information for IFRS purposes)
Three month period ended March 31, 2013 and 2012
(In thousands of Reais)

	Parent company		Consolidated	
	3/31/2013	**3/31/2012**	**3/31/2013**	**3/31/2012**
Inputs acquired from third parties				
Services rendered by third parties	**(4,990)**	(1,176)	**(5,246)**	(1,202)
Gross added value	**(4,990)**	(1,176)	**(5,246)**	(1,202)
Depreciation and amortization	**(114)**	(71)	**(114)**	(71)
Net added value	**(5,104)**	(1,247)	**(5,360)**	(1,273)
Transferred added value received				
Equity results and provision for losses on investments	**(290)**	(30)	**-**	-
Financial income	**10,650**	4,615	**10,650**	4,615
Total added value to be distributed	**5,256**	3,338	**5,290**	3,342
Distribution of added value				
Personnel				
Direct remuneration	**3,916**	4,312	**3,916**	4,312
Benefits	**331**	251	**331**	251
Accrued severance indemnity (FGTS)	**167**	207	**167**	207
Management fees	**1,652**	1,104	**1,652**	1,104
	6,066	5,874	**6,066**	5,874
General and administrative expenses	**1,493**	1,169	**1,526**	1,171
Tax				
Federal	**868**	940	**868**	940
Municipal	**219**	69	**220**	69
Intra-segment obligations	**103**	-	**103**	-
	1,190	1,009	**1,191**	1,009
Financial expenses	**45**	39	**45**	41
Loss for the period	**(3,538)**	(4,753)	**(3,538)**	(4,753)
Added value distributed	**5,256**	3,338	**5,290**	3,342

See accompanying notes.

1. Operations

Manabi S.A. ("Manabi" or "Company") is a publicly-held company, the corporate purpose of which is (i) exploration, development and negotiation of business opportunities in exploration, economic exploration, development, mining, extraction, production and sale of iron ore and other metal deposits in South America; (ii) investment, equity interests and operation of assets and companies in the sectors of exploration of iron ore deposits and other metal deposits, including logistics, transportation, industrial facilities and other infrastructure related to such business opportunities, assets and companies; (iii) research, exploration, extraction, processing, manufacturing, transportation, export and trading of the mineral assets and products listed in item (i) above; and (iv) render geological services.

As of March 31, 2013, Manabi fully controls companies Morro do Pilar Minerais S.A. ("MOPI"), Morro Escuro Minerais S.A. ("MOES"), Manabi Logística S.A. ("Manabi Log"), and Dutovias do Brasil S.A. ("Dutovias").

The business purpose of subsidiaries MOPI and MOES is to: (a) research, explore, mine, process and transport mining goods and products; (b) render geological services; (c) render intermediation services related to the above described activities and subject; (d) hold equity interests in other companies, in Brazil or abroad; (e) lease vehicles, drills and equipment for drilling and mining; and (f) render drilling services for mining activities.

Manabi Log's business purpose is to consolidate efficient port logistics for distribution of the iron ore production. Currently, Manabi Log is not operational and holds the area on which it intends to build the Porto Norte port terminal.

Dutovias was acquired on March 8, 2013 and its purpose is to consolidate the transportation of iron ore from Morro do Pilar to Porto Norte, using an iron ore pipeline to be constructed.

The development and implementation of an integrated iron ore production and distribution project is capital intensive. In this context, Management believes that the funds held in cash are sufficient for, at least, the next 12 months of operation. Management continues to evaluate alternatives to access the capital markets in order to raise additional funds that will enable the implementation of its business plan.

1. **Operations** (Continued)

The Company intends to invest primarily in (i) deepening its knowledge of the mineral asset with reports on exploration and survey, drilling, characterization and modeling, (ii) engineering, (iii) obtaining licenses required for operation, (iv) logistics infrastructure, and (v) negotiating contracts with potential buyers.

The Company began engaging renowned companies to render drilling, chemical analysis of samples, preparation of environmental studies and development of conceptual engineering for the mine, pipeline and port terminal

2. Basis for preparation and presentation of quarterly information

The individual financial information has been prepared and are presented in accordance with CPC 21 - Interim Financial Statements, and applicable standards for quarterly information issued by the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários* - “CVM”).

The consolidated financial information has been prepared in accordance with CPC 21 and international standard IAS 34 - Interim Financial Reporting, issued by the IASB, and applicable standards for interim information issued by the CVM.

The quarterly financial information should be read in conjunction with the financial statements as of December 31, 2012, which individual financial statements were prepared in accordance with accountings practices adopted in Brazil, including the provisions of the Brazilian Corporations’ Law and accounting rules and procedures issued by the CVM and Accounting Pronouncements Committee and consolidated financial statements prepared in accordance with the International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (IASB), and in accordance with accounting practices adopted in Brazil.

The Company’s Management authorized the conclusion of the preparation of this quarterly financial information on May 8th, 2013.

3. Summary of significant accounting practices

The quarterly financial information is presented based on the same accounting policies described in the Note 3 of the audited financial statements of December 31, 2012.

The new accounting pronouncements issued by the International Accounting Standards Board (IASB), effective as of January 1, 2013, as described in the audited financial statements of December 31, 2012, did not affect the individual and consolidated quarterly financial information.

Accounting judgment, estimates and assumptions

The Company uses significant accounting judgments, estimates and assumptions to measure and recognize certain assets and liabilities in its financial statements. The determination of these estimates takes into account past and current events, assumptions relating to future events, as well as other objective and subjective factors.

Significant items subject to estimates, which were taken into consideration, or which will affect the Company after start-up, include: selection of the useful life of property, plant and equipment; the reserves estimate included used in determining depreciation based on the units of production method; the assessment of the recoverable amount of each cash generating unit; analyses of impairment of property, plant and equipment assets; deferred income tax and social contribution; provision for contingencies; among others.

The settlement of transactions involving such estimates may result in amounts different from those recorded in the financial statements due to the uncertainties inherent to the determination process. The Company reviews its estimates and assumptions at least annually.

(In thousands of Reais, except when otherwise indicated)

4. Cash and cash equivalents and marketable securities

	Parent company		Consolidated	
	3/31/2013	12/31/2012	3/31/2013	12/31/2012
Cash and banks	**37**	11	**37**	11
Cash equivalents				
Bank Deposit Certificates (CDBs)	**17,739**	25,395	**17,739**	25,395
Debentures with repurchase clauses	**16,636**	46,081	**16,636**	46,081
	34,412	71,487	**34,412**	71,487
Marketable securities				
Government bonds	**627,438**	617,663	**627,438**	617,663
	627,438	617,663	**627,438**	617,663

CDBs and debentures with repurchase agreements have immediate liquidity, low credit risk and are available for use in the operations of the Company and its subsidiaries. The remuneration is determined by the variation of the Interbank Deposit Certificate (Certificado de Depósito Interbancário - CDI), producing an average yield of 101.3% of CDI.

Investments in CDBs and debentures with repurchase agreements are broken down as follows:

Investment	Bank	Beginning of operation	Maturity of operation	Index CDI	3/31/2013 Parent company and consolidated	12/31/2012 Parent company and consolidated
CDB	Bradesco	03/26/2012	03/17/2014	100.0%	**-**	**417**
CDB	Itaú BBA	06/08/2011	05/29/2013	101.6%	**7,171**	**13,423**
CDB	Banco do Brasil	06/08/2011	05/29/2013	100.6%	**10,568**	**11,554**
Debentures	Itaú BBA	12/21/2012	01/21/2013	80.0%	**-**	**535**
Debentures	Bradesco	06/08/2011	05/29/2013	101.7%	**16,636**	**45,547**
					34,375	71,476

Although these investments mature in over 90 days, the banks guarantee the repurchase of these securities with no loss in value, at any time that the Company's Management wishes.

(In thousands of Reais, except when otherwise indicated)

4. Cash and cash equivalents and marketable securities (Continued)

The breakdown of government bonds is as follows:

Security	Number	Beginning	Maturity	Index	3/31/2013 Parent company and consolidated	12/31/2012 Parent company and consolidated
LFT	18,544	11/06/2012	09/07/2015	Selic	**102,755**	101,032
LFT	27,808	11/07/2012	09/07/2015	Selic	**154,088**	151,504
LFT	18,534	11/08/2012	09/07/2015	Selic	**102,700**	100,977
LFT	37,055	11/12/2012	09/07/2013	Selic	**205,205**	201,859
LFT	712	12/05/2012	03/07/2013	Selic	**-**	3,878
LTF	290	02/15/2013	03/07/2014	Selic	**1,606**	-
LTF	698	03/07/2013	09/07/2019	Selic	**3,865**	-
NTN-B	4,000	12/04/2012	08/15/2014	IPCA	**9,537**	9,735
NTN-B	10,000	12/04/2012	08/15/2014	IPCA	**23,841**	24,339
NTN-B	10,000	12/04/2012	08/15/2014	IPCA	**23,841**	24,339
					627,438	617,663

Government bonds are allocated to an exclusive investment fund and are comprised of securities issued by the National Treasury with yields determined by the variation of the Selic rate (LFT) and by the variation of the IPCA + spread (NTN-B). These bonds have generated an average return of 98.05% of the CDI in the three month period ended March 31, 2013.

Government bonds are highly liquid, have low credit risk (sovereign risk) and are available for use in the operations of the Company and of its subsidiaries.

The funds invested in government bonds derive from the private placement carried out by the Company in the second half of 2012.

(In thousands of Reais, except when otherwise indicated)

5. Investments in subsidiaries (Parent company)

Changes in investments during the period are as follows:

	12/31/2012	Additions	Equity results	3/31/2013
Investments				
MOPI	4,104	**-**	**(109)**	**3,995**
MOES	9,133	**-**	**(39)**	**9,094**
Manabi Log	6,452	**-**	**(142)**	**6,310**
Dutovias	-	**1**	**-**	**1**
Excess paid on acquisition of investment				
MOES	55,441	**-**	**-**	**55,441**
	75,130	**1**	**(290)**	**74,841**

On December 14, 2012, the partial spin-off of MOPI was carried out, due to, pursuant to the Protocol and Justification, a corporate restructuring project to streamline the group's activities, which involved the transfer of MOPI's assets and liabilities relating to the iron ore extraction activity to the Company.

With the merger into parent company of the spun-off portion of MOPI, the excess paid on the acquisition of this company, totaling R$ 491,427, which was previously recorded in the investment in the individual financial statements and allocated to intangible assets in the consolidated financial statements, is now recognized directly in the parent company's intangible assets. There were no impacts on the consolidated financial statements arising from this partial spin off.

Other investment information - March 31, 2013

	MOPI	MOES	Manabi Log	Dutovias
Total common shares	4,031,860	782,820	659,600	900
Company's interest	100%	100%	100%	100%
Equity	3,995	9,094	6,310	1

As of March 31, 2013, the balance of funds remitted by the Parent company to the subsidiaries MOPI, MOES and Manabi Log totaled R$ 3,013, R$ 4,901 and R$ 23,323, respectively, for acquisition of land on the coast of the State of Espírito Santo, drilling, environmental studies, survey, registration, valuation, negotiation and proper documentation of the project areas. Such funds are classified as advances for future capital increase, the capitalization of which should take place within no longer than one year.

(In thousands of Reais, except when otherwise indicated)

6. Property, plant and equipment

Parent company balances

	Parent company					
	3/31/2013			12/31/2012		
	Cost	Depreciation	Net amount	Cost	Depreciation	Net amount
Buildings	**285**	**(5)**	**280**	285	(2)	283
Construction in progress	**1,418**	**-**	**1,418**	1,174	-	1,174
Machinery and equipment	**116**	**(5)**	**111**	73	(3)	70
Furniture and fixtures	**931**	**(95)**	**836**	767	(74)	693
IT equipment	**454**	**(69)**	**385**	290	(53)	237
Communication equipment	**121**	**(21)**	**100**	87	(16)	71
Leasehold improvements	**688**	**(194)**	**494**	688	(155)	533
	4,013	**(389)**	**3,624**	3,364	(303)	3,061

Changes in the Parent company in the period

	Depreciation rate	12/31/2012	Acquisitions	Depreciation	3/31/2013
Buildings	4%	**283**	-	(3)	280
Construction in progress	-	**1,174**	244	-	1,418
Machinery and equipment	10%	**70**	43	(2)	111
Furniture and fixtures	10%	**693**	164	(21)	836
IT equipment	20%	**237**	164	(16)	385
Communication equipment	20%	**71**	34	(5)	100
Leasehold improvements	22%	**533**	-	(39)	494
		3,061	649	(86)	3,624

Consolidated balances

	Consolidated					
	3/31/2013			12/31/2012		
	Cost	Depreciation	Net amount	Cost	Depreciation	Net amount
Land	**28,203**	**-**	**28,203**	28,203	-	28,203
Buildings	**285**	**(5)**	**280**	285	(2)	283
Construction in progress	**11,021**	**-**	**11,021**	7,874	-	7874
Machinery and equipment	**116**	**(5)**	**111**	73	(3)	70
Furniture and fixtures	**934**	**(95)**	**839**	770	(74)	696
IT equipment	**454**	**(69)**	**385**	290	(53)	237
Communication equipment	**121**	**(21)**	**100**	87	(16)	71
Leasehold improvements	**688**	**(194)**	**494**	688	(155)	533
	41,822	**(389)**	**41,433**	38,270	(303)	37,967

(In thousands of Reais, except when otherwise indicated)

6. Property, plant and equipment (Continued)

Changes in the consolidated balances in the period

	Depreciation rate	12/31/2012	Acquisitions	Depreciation	3/31/2013
Land	-	28,203	**-**	**-**	**28,203**
Buildings	4%	283	**-**	**(3)**	**280**
Construction in progress	-	7,874	**3,147**	**-**	**11,021**
Machinery and equipment	10%	70	**43**	**(2)**	**111**
Furniture and fixtures	10%	696	**164**	**(21)**	**839**
IT equipment	20%	237	**164**	**(16)**	**385**
Communication equipment	20%	71	**34**	**(5)**	**100**
Leasehold improvements	22%	533	**-**	**(39)**	**494**
		37,967	**3,552**	**(86)**	**41,433**

In November 2011, construction of the port terminal was started. Costs incurred up to March 31, 2013 were R$ 9,603, related to the environmental licensing process, oceanographic studies and start of the port’s conceptual engineering project, were fully recorded as property, plant and equipment.

7. Intangible assets (consolidated)

The intangible assets are comprised of prospecting rights and existing mining resources of subsidiary MOES and in the Company.

The intangible assets are represented by over 65 mining rights, related resources and exploration costs, located in the State of Minas Gerais, from which 21 are exploration licenses (autorizações de pesquisa) and the remaining basically in the stage of application for exploration licenses or in availability process, and by capitalized costs corresponding to the development of the mines, as follows:

	Amortization rate	12/31/2012	Additions	Amortization	3/31/2013
Expenditures related to exploration/valuation of mineral resources and prospecting rights	-	90,853	**19,638**	**-**	**110,491**
Intangible assets acquired in business combination (MOPI and MOES)	-	546,868	**-**	**-**	**546,868**
Software	20%	382	**157**	**(28)**	**511**
		638,103	**19,795**	**(28)**	**657,870**

The Company is taking the necessary steps to fully transfer ownership of those acquired mining rights that are in the stage of application or in availability process before the regulatory agency, as contemplated in the documentation of June 8, 2011.

8. Income tax and social contribution

As of March 31, 2013, the Company's accumulated tax loss carryforward and negative social contribution basis amounted to R$ 62,994 (R$ 59,537 as of December 31, 2012), in relation to which Management opted not to record deferred tax assets in this stage of the project. Tax loss carryforwards generated in Brazil do not expire and are offset with future taxable profit, limited to 30% of the taxable profit in each year.

9. Transactions with related parties

The Company is currently in the prospection phase and has no operational transactions with related parties.

Compensation of key management personnel

The Company considers all current officers and board members to be key management personnel. For the three month period ended March 31, 2013, the compensation of these officers and board members was R$ 1,426 and R$ 525, including salaries, fees and social charges. Compensation for the officers and board members for the year 2013 at an aggregate amount of R$ 6,600 and R$ 3,240 respectively, will be submitted to the Annual General Meeting to be held on April 30, 2013.

Share based payment (stock options)

In the Annual Shareholders' Meeting held on July 21, 2011, the Company's shareholders approved a stock option plan for officers, members of the Board of Directors, and employees. The stock options issued by the Company under the plan are primary and, therefore, involve the issuance of new shares.

On March 31, 2013, a total of 23,190 (twenty-three thousand, one hundred and ninety) options had been granted, by means of individual agreements between the Company and each beneficiary. As a condition for entitlement to the stock purchase option, the beneficiary must complete three years of service (vesting period). These options, in the proportion of one third of the total number of shares available for the plan, are exercisable in three annual tranches. The first tranche can be exercised in 12 months from the grant date and the following tranches, pursuant to the same conditions, can be exercised in 24 and 36 months from the grant date. The participants have a maximum term of sixty months from the maturity date to exercise the options.

(In thousands of Reais, except when otherwise indicated)

9. Transactions with related parties (Continued)

Share based payment (stock options) (Continued)

The exercise price of the options granted until August 20, 2012 is R$ 1,576.00 (one thousand, five hundred and seventy six reais) per share and, after such date, R$ 2,547.25 (two thousand, five hundred and forty-seven reais and twenty-five cents), which shall remain unchanged until the effective exercise date of the option, subject to adjustment in the event of share grouping or share split. As the Company has not paid dividends to date, the valuation of these options assumes no payment of dividends for the duration of the stock option program.

The stock options were measured and recognized at fair value using the Merton model (1973).

The table below shows the result of the fair value measurement of the stock options at the date of this quarterly financial information:

Plan	Grant date	Initial maturity date	Vesting date	Number of shares	Annual volatility	Risk free rate	Dilution factor	Fair value options
2011.1	10/15/2011	10/15/2012	10/15/2017	4,550	40.41%	11,35%	99.41%	**4,122**
2011.1	10/15/2011	10/15/2013	10/15/2018	4,550	39.47%	11,35%	98.82%	**4,387**
2011.1	10/15/2011	10/15/2014	10/15/2019	4,550	38.95%	11,34%	98.23%	**4,629**
Amendments	1/2/2012	10/15/2012	10/15/2017	500	40.86%	11,00%	99.24%	**442**
Amendments	1/2/2012	10/15/2013	10/15/2018	500	39.58%	11,04%	98.33%	**469**
Amendments	1/2/2012	10/15/2014	10/15/2019	500	38.98%	11,06%	97.44%	**495**
2012.1	1/2/2012	10/15/2012	10/15/2017	900	40.86%	11,00%	99.24%	**795**
2012.1	1/2/2012	10/15/2013	10/15/2018	900	39.58%	11,04%	98.33%	**844**
2012.1	1/2/2012	10/15/2014	10/15/2019	900	38.98%	11,06%	97.44%	**890**
2012.2	1/2/2012	12/1/2012	12/1/2017	300	40.67%	10,99%	99.20%	**267**
2012.2	1/2/2012	12/1/2013	12/1/2018	300	39.51%	11,05%	98.30%	**284**
2012.2	1/2/2012	12/1/2014	12/1/2019	300	38.95%	11,06%	97.41%	**299**
2012.3	2/1/2012	1/15/2013	1/15/2018	1,000	40.55%	11,04%	99.08%	**892**
2012.3	2/1/2012	1/15/2014	1/15/2019	1,000	39.47%	11,19%	98.18%	**951**
2012.3	2/1/2012	1/15/2015	1/15/2020	1,000	38.80%	11,23%	97.29%	**1,001**
2012.4	1/13/2012	1/13/2013	1/13/2018	100	40.47%	11,23%	99.20%	**90**
2012.4	1/13/2012	1/13/2014	1/13/2019	100	39.41%	11,31%	98.28%	**96**
2012.4	1/13/2012	1/13/2015	1/13/2020	100	38.88%	11,32%	97.37%	**101**
2012.5	8/20/2012	8/20/2013	8/20/2018	180	39.99%	9,65%	99.05%	**154**
2012.5	8/20/2012	8/20/2014	8/20/2019	180	38.74%	9,78%	98.11%	**164**
2012.5	8/20/2012	8/20/2015	8/20/2020	180	38.05%	9,97%	97.19%	**173**
2012.6	11/19/2012	11/19/2013	11/19/2018	200	39.90%	9,06%	98.68%	**270**
2012.6	11/19/2012	11/19/2014	11/19/2019	200	38.72%	9,20%	97.97%	**288**
2012.6	11/19/2012	11/19/2015	11/19/2020	200	38.04%	9,39%	97.80%	**307**
Total 3/31/2013				23,190				**22,410**

(In thousands of Reais, except when otherwise indicated)

9. Transactions with related parties (Continued)

Share based payment (stock options) (Continued)

The effects of the stock options granted and outstanding recorded in equity and in the income statement for the period are as follows:

	1st program	2nd program	3rd program	4th program	5th program	Recorded in statement of operations	Total recorded in equity
2011	939	-	-	-	-	939	939
2012	4,535	2,579	92	60	33	7,299	8,238
2013	4,375	2,666	96	163	289	1,871	10,109
2014	3,453	2,344	95	163	288	-	-
2015	-	39	4	105	255	-	-
	13,302	7,628	287	491	865		

In the event the beneficiary resigns, the non-vested options expire with no indemnification or compensation due and the vested options can be exercised within ninety days.

In the event the beneficiary's labor agreement is terminated with due cause, all rights expire immediately, regardless of any notice or indemnification.

10. Trade accounts payable

Trade accounts payable as of March 31, 2013 and December 31, 2012 are as follows:

	Parent company		Consolidated	
	3/31/2013	**12/31/2012**	**3/31/2013**	**12/31/2012**
Domestic	**6,982**	9,219	**8,715**	9,810
Foreign	**-**	51	**-**	51
	6,982	9,270	**8,715**	9,861

These balances refer mainly to survey services, environmental studies, and development of conceptual engineering, with an average settlement period of 60 days that are not subject to charges.

(In thousands of Reais, except when otherwise indicated)

11. Equity

a) Capital stock

As of March 31, 2013, the subscribed and paid-in capital is represented by 1,040,000 shares, of which 250,000 are registered common shares, 550,000 are preferred class "A" shares and 240,000 are preferred class "B" shares, of no par value, as detailed below:

	Number of shares				
Shareholders	**Common**	**Class "A" preferred**	**Class "B" preferred**	**Total**	**%**
Fábrica Holding S.A.	150,000	3,000	320	153,320	14.74%
Ontario Teachers' Pension Plan	-	165,000	19,904	184,904	17.78%
Korea Investment Corporation	-	100,000	80,000	180,000	17.31%
EIG - Global Energy Partners	-	-	120,000	120,000	11.54%
Southeastern Asset Management	-	100,000	800	100,800	9.69%
Michael Stephen Vitton	50,000	11,000	360	61,360	5.90%
Mathew Todd Goldsmith	50,000	6,000	160	56,160	5.40%
Other	-	165,000	18,456	183,456	17.64%
	250,000	550,000	240,000	1,040,000	100.00%

Each common share entitles its holder to 1(one) vote in the Shareholders' Meetings, whereas each preferred share entitles its holder to the number of votes in Shareholders' Meetings based on the number of common shares into which each preferred share is convertible, as applicable, according and subject to the Shareholders' Agreement.

b) Capital reserves

Capital reserves are composed of subscription warrants and stock options granted.

On June 8, 2011, the Company issued subscription warrants to shareholders (i) Fábrica Holding S.A., (ii) Mathew Todd Goldsmith and (iii) Michael Stephen Vitton. These warrants entitle the holders to an option to subscribe a maximum of 44,854 common shares for R$ 0.01 (one cent), in accordance with the terms and conditions set forth in the Subscription Warrant Certificate, as amended at the Special Shareholders' Meeting held on September 10, 2012, exercisable, in whole or in part, at the holder's discretion, upon occurrence of the events defined ("Execution Events").

Shareholder Fábrica Holding S.A. has the right to subscribe 60% of such shares the other two shareholders may subscribe 20% each.

(In thousands of Reais, except when otherwise indicated)

11. **Equity** (Continued)

b) Capital reserves (Continued)

The mentioned Execution Events had not occurred by March 31, 2013 and these events are outside the control of the option holders. Therefore, these options did not have any impact on the financial statements.

c) Loss per share

The table below presents the results and share data used in determining the basic and dilutive loss per share:

	Three-month period ended March 31, 2013			
	Common	Class "A" preferred	Class "B" preferred	Total
Loss attributable to the equity holders	(850)	(1,871)	(817)	(3,538)
Number of outstanding shares	250,000	550,000	240,000	1,040,000
Loss per share - basic and diluted (*) in Reais	(3.40)	(3.40)	(3.40)	

	Three-month period ended March 31, 2012		
	Common	Preferred	Total
Loss attributable to the equity holders	(1,485)	(3,268)	(4,753)
Number of outstanding shares	250,000	550,000	800,000
Loss per share - basic and diluted (*) in Reais	(5.94)	(5.94)	

(*) The loss in the period is antidilutive for the holders of stock options and subscription warrants.

12. Financial instruments

Financial instruments as of March 31, 2013 are represented by cash and cash equivalents and marketable securities, classified and measured at fair value through profit or loss.

Financial liabilities are represented by trade accounts payable, recorded at amortized cost. The average maturity period of trade accounts payable is 60 days and there are no relevant differences between carrying amounts and fair values.

The Company does not carry out hedge, swap or any other transactions that involve derivative financial instruments.

The Company holds its cash and cash equivalents with various highly liquid financial institutions and, as a policy, limits exposure to each institution.

13. Insurance coverage

The Meeting of the Board of Directors held on June 28, 2011, approved the Management's proposal based on a proposal submitted by insurance company Chartis Seguros Brasil S.A., for an insurance policy covering Directors' and Officers' civil liability at an insured amount of US$ 25,000,000 (twenty five million dollars).

The policy was renewed on July 4, 2012 in the total insured amount of R$ 50,000. The purpose of the insurance is to pay for losses due to third parties as a result of a claim.

The Board may review the coverage of this policy from time to time and upon the occurrence a major event.

Ricardo Antunes Carneiro	Antonio Borges Leal Castello Branco
CEO	CFO